

June 16, 2017

Margaret M. Fox

pfox@mcnair.net  
T 803.799.9800  
F 803.753.3278

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia SC 29210

Re: Application of WC Fiber, LLC for a Certificate of Public Convenience  
and Necessity to Provide Facilities-Based and Resold Local Exchange  
and Interexchange Internet Protocol ("IP") Voice Services, and for  
Flexible Regulation of its Local Exchange Services and Alternative  
Regulation of its Interexchange Service Offerings Within the State of  
South Carolina  
Docket No. 2017-83-C

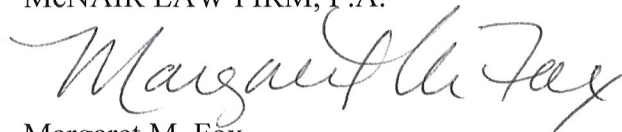
Dear Ms. Boyd:

Enclosed for filing on behalf of WC Fiber, LLC, please find a proposed order in  
the above-referenced matter. Counsel for the Office of Regulatory Staff has  
reviewed the proposed order and we have incorporated ORS's comments. By  
copy of this letter, we are providing a copy of the proposed order in Word format  
to Josh Minges, Hearing Examiner.

If you have any questions or need anything further, please contact me.

Sincerely,

McNAIR LAW FIRM, P.A.



Margaret M. Fox

MMF:khh

Enclosure: as stated

cc: Hearing Examiner Josh Minges (*via E-mail*)  
C. Lessie Hammonds, Esquire (*via E-mail, via U.S. Mail*)

McNAIR LAW FIRM, P.A.  
1221 Main Street  
Suite 1800  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

DOCKET NO. 2017-83-C – ORDER NO. 2017-\_\_

JUNE \_\_, 2017

IN RE:

Application of WC Fiber, LLC, for a Certificate of	)	
Public Convenience and Necessity To Provide	)	
Facilities-Based And Resold Local Exchange and	)	ORDER GRANTING
Interexchange Internet Protocol (“IP”) Voice Services, and	)	CERTIFICATE
for Flexible Regulation of its Local Exchange Services and	)	
Alternative Regulation of its Interexchange Service	)	
Offerings Within the State of South Carolina	)	
<hr/>		

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of WC Fiber, LLC (“WCFIBER” or the “Company”) for a Certificate of Public Convenience and Necessity to provide local exchange and interexchange telecommunications services within the State of South Carolina (the “Application”). The Company’s Application was filed pursuant to S.C. Code Ann. § 58-9-280(B), the Rules and Regulations of the Commission, and Section 253 of the federal Telecommunications Act of 1996. The Company further requested that the Commission regulate its local exchange services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. Pursuant to S.C. Code Ann. § 58-9-585 and the general regulatory authority of the Commission, the Company also requested that the Commission regulate its business interexchange service offerings in accordance with the principles and procedures established for alternative regulation in Orders No. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by

Order No. 2001-997 in Docket No. 2000-407-C. The Company additionally requested certain waivers of the Commission's Regulations.

By letter, the Commission instructed the Company to publish, one time, a prepared Notice of Filing in a newspaper of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in this proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No petitions to intervene or comments were filed in this proceeding.

On May 23, 2017, counsel for the South Carolina Office of Regulatory Staff ("ORS") filed a letter with the Commission setting out that ORS had reviewed the Application and did not oppose the Commission granting the Application. ORS also sought to be permitted to be excused from the hearing in the Docket. The Company did not object to the request, and the Hearing Examiner granted ORS's request to be excused from the hearing by Directive dated May 25, 2017.

A hearing was convened on June 5, 2017, at 10:30 a.m., at the Commission's offices. The Honorable Josh M. Minges, Hearing Examiner, presided. Margaret M. Fox, Esquire, represented the Company. Jeff T. Wilson, Chief Executive Officer of West Carolina Rural Telephone Cooperative, Inc., appeared and testified in support of the Application.

The record reflects that WCFIBER is a private company that was organized in the state of South Carolina on May 15, 2015. WCFIBER is a wholly-owned subsidiary of West Carolina Communications, LLC, which is a wholly-owned subsidiary of West Carolina Rural Telephone Cooperative, Inc., a South Carolina corporation, also located at Highway 28 Bypass, Abbeville, SC 29620. West Carolina Rural Telephone Cooperative, Inc. is an incumbent local exchange carrier and has been providing local exchange service in South Carolina since 1952. The Company

plans to market its services using the logo “WCFIBER.” It also may use a common logo and/or trade names associated with its affiliated companies that include the names “WCTEL” and “West Carolina Tel.” The Company seeks authority to use these trade names and logos to the extent such authority is needed.

Mr. Wilson testified that WCFIBER proposes to offer facilities-based and resold local exchange and interexchange IP voice services to business and residential customers. Local IP voice services will be offered within the present operating areas of BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina (“AT&T”) and United Telephone Company of the Carolinas, Inc. d/b/a CenturyLink (“CenturyLink”). Interexchange IP voice services will be offered throughout the State of South Carolina. The Company will offer voice services with custom calling and Voice over Internet Protocol (“VoIP”) features comparable to custom local area signaling services (“CLASS”) features, as well as bundled services such as local and long distance services in a combined package. The Company will provide its customers with access to emergency call services (e.g., 911), directory assistance, and other ancillary services. The Company also proposes to offer operator-assisted services to its pre-subscribed Customers. All services are available twenty-four (24) hours per day, seven (7) days a week.

Mr. Wilson provided testimony regarding the Company’s technical, managerial, and financial resources to provide the services for which it requests authority. Mr. Wilson further testified that granting WCFIBER’s Application will serve the public interest by providing South Carolinians increased service options, high service quality, and seamless local and long distance service. WCFIBER is a South Carolina-based company, with employees who live and work in South Carolina, contributing to the local economy.

Mr. Wilson testified that local services will meet the service standards required by the Commission, and that the provision of local service by the Company will not adversely impact the availability of affordable local exchange service or otherwise adversely impact the public interest.

Mr. Wilson testified that the Company will abide by all applicable Commission rules, regulations, and orders upon the Company receiving certification to provide intrastate interexchange and local exchange telecommunications services in South Carolina.

WCFIBER has requested certain waivers of Commission regulations. The Company requests that it be exempt from any rules or regulations that would require it to keep its financial records in conformance with the Uniform System of Accounts (“USOA”), since it will maintain its books and records in accordance with Generally Accepted Accounting Principles (“GAAP”). Additionally, the Company seeks a waiver of 10 S.C. Code Ann. Regs. 103-631 so that it will not be required to publish local exchange directories. The Company will make arrangements with those incumbent LECs who publish directories in areas where WCFIBER provides service, whereby the names of the Company’s customers will be included in any such directories. The Company also requested that it be granted a waiver of the map filing requirement of 10 S.C. Code Ann. Regs. 103-612.2.3. The Company’s service area will initially mirror the service areas of the incumbent local exchange carriers referenced in its Application.

After full consideration of the applicable law, the Company’s Application, and the evidence of record presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. The Company is a duly organized corporation which exists under the laws of the State of South Carolina.

2. The Company desires to operate as a facilities-based and resold local exchange and interexchange IP voice services to business and residential customers. Local IP voice services will be offered within the present operating areas of AT&T and CenturyLink. Interexchange IP voice services will be offered throughout the State of South Carolina. The Company will offer voice services with custom calling and VoIP features comparable to CLASS features, as well as bundled services such as local and long distance services in a combined package. The Company will provide its customers with access to emergency call services (e.g., 911), directory assistance, and other ancillary services. The Company also proposes to offer operator-assisted services to its pre-subscribed Customers. All services are available twenty-four (24) hours per day, seven (7) days a week. The Company will market its services using the logo “WCFIBER.” It also may use a common logo and/or trade names associated with its affiliated companies that include the names “WCTEL” and “West Carolina Tel.”

3. The Commission finds that the issuance of a Certificate of Public Convenience and Necessity to WCFIBER to operate as a facilities-based and/or resold provider of local exchange telecommunications and interexchange services in South Carolina is in the best interest of the citizens of South Carolina because it will provide South Carolinians increased service options, high service quality, and seamless local and long distance service. Additionally, the public interest is served because WCFIBER is a South Carolina-based company, with employees who live and work in South Carolina, contributing to the local economy.

4. The Commission finds that the Company’s request for a waiver of the requirements to keep its records in accordance with the USOA is reasonable. The Commission also finds the Company’s request for waivers of the directory publication and map filing requirements to be reasonable.

5. The Commission finds that the Company possesses the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. § 58-9-280(B)(1).

6. The Commission finds that the services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B)(2).

7. The Commission finds that the Company's provision of service will not adversely impact the availability of affordable local exchange service. S.C. Code Ann. § 58-9-280(B)(3).

8. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4).

9. The Commission finds that the provision of local exchange service by the Company does not otherwise adversely impact the public interest. S.C. Code Ann. § 58-9-280(B)(5).

10. ORS was permitted to be excused from the hearing and the fact that it did not oppose granting the Application herein is duly noted.

### **CONCLUSIONS OF LAW**

1. The Commission concludes that the Company possesses the managerial, technical, and financial resources to provide the competitive local exchange and interexchange telecommunications services as described in the Application.

2. The Commission concludes that the Company's provision of service will not adversely impact the availability of affordable local exchange service.

3. The Commission concludes that the Company will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

4. The Commission concludes that the Company will provide services that meet the service standards of the Commission.

5. The Commission concludes that the issuance of a Certificate of Public Convenience and Necessity to WCFIBER to operate as a facilities-based and/or resold provider of local exchange telecommunications and interexchange services in South Carolina is in the best interest of the citizens of South Carolina because it will provide South Carolinians increased service options, high service quality, and seamless local and long distance service. Additionally, the public interest is served because WCFIBER is a South Carolina-based company, with employees who live and work in South Carolina, contributing to the local economy.

6. Based on the findings of fact and conclusions of law stated herein, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive local exchange services within the present operating areas of AT&T and CenturyLink. In addition, the Company is granted authority to provide intrastate interexchange services throughout the State of South Carolina.

7. The Company will market its services using the logo “WCFIBER.” We also grant the Company’s request to use a common logo and/or trade names associated with its affiliated companies that include the names “WCTEL” and “West Carolina Tel.”

8. The Commission concludes the Company’s local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 1997-467-C. Specifically, the Commission adopts for the Company’s competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, the Company’s local exchange service tariff filings are presumed valid

upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

9. The Commission concludes that the Company's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 1995-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers who request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 1995-661-C. However, pursuant to Order No. 2001-997 in Docket No. 2000-407-C, this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as a toll provider. Order No. 2001-997 imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If

the Commission institutes an investigation of a particular tariff within the seven (7) days, the tariff filing will be suspended until further order of the Commission.

10. The Commission adopts a rate design for WCFIBER for its residential interexchange services which includes maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application of GTE Sprint Communications Corporation, et al.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

11. WC Fiber shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. WC Fiber shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, et al.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code § 58-9-540 (Supp. 2015).

12. We grant exemption from the policies requiring the use of USOA and grant waivers of 10 S.C. Code Ann. Regs. 103-612.2.3, which requires filing a map of the service territory, and 10 S.C. Code Ann. Regs. 103-631, which requires publication of directories. Additionally, with regard to 10 S.C. Code Ann. Regs. 103-607, which requires local exchange carriers providing retail

residential local exchange services to submit a bond, the Commission finds the regulation is not applicable because the company and its affiliates have invested at least five million dollars in telecommunications facilities in the State of South Carolina.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to WCFIBER to provide competitive local exchange telecommunications services and interexchange telecommunications services in the State of South Carolina.

2. The regulatory treatment adopted for the Company's services shall conform to the design described above.

3. If it has not already done so, the Company shall file its tariffs utilizing the Commission's e-filing system for tariffs within thirty (30) days of the issuance of this Order. The tariffs should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The tariffs shall be consistent with the findings of this Order and with the Commission's Rules and Regulations.

4. The Company shall resell the services of only those local exchange carriers or interexchange carriers authorized to do business in South Carolina by this Commission.

5. The Company is required to comply with Title 23, Chapter 47, South Carolina Code of Laws Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provide to the citizens of

South Carolina, the Commission hereby instructs the Company to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before providing voice or dial-tone telephone service in South Carolina. Located on the homepage of this Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov) is a "Quick Link" column. One of the tabs in this column is called "E-911 Information." Clicking on this tab will provide a list of county and city E-911 coordinators with contact information. By this Order and prior to providing voice or dial-tone services within South Carolina, the Company is directed to contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

6. The Company shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of South Carolina specific information. Therefore, the Company shall keep financial records on its South Carolina operations to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website or at the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Applicant to file annual financial information as directed by the Commission or ORS and shall be filed no later than April 1<sup>st</sup>.

7. Commission gross receipts forms are due to be filed no later than August 31<sup>st</sup> of each year. The proper form for filing gross receipts information can be found at the ORS website [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov) and the appropriate form is entitled "Gross Receipts Form."

8. Each telecommunications company certified in South Carolina is required to file annually with the ORS the South Carolina Universal Service Fund (“USF”) Contribution Worksheet, which may be found on the ORS’s website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). This worksheet provides ORS information required to determine each telecommunications company’s liability to the State USF fund. The State USF worksheet is due to be filed annually no later than July 1<sup>st</sup> with the ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matter, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. The Company shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the ORS website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). This form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced. If the Company changes or modifies its name, the Company shall file such changes with the Commission for approval.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. The Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts (“USOA”). The Commission grants the Company’s request for a waiver of the requirement in 10 S.C. Code Ann. Regs. 103-

612.2.3 to file a map of its service territory, and a waiver of the requirement of 10 S.C. Code Ann. Regs. 103-631 to publish directories.

12. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

---

Swain E. Whitfield, Chairman

ATTEST:

---

Comer H. Randall, Vice Chairman

(SEAL)